

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No. 13-cv-3640
	)	
RAMON EGAN individually and as	)	
Trustee of ANNA B. EGAN	)	
REVOCABLE TRUST; THE STATE	)	
OF MINNESOTA; HENNEPIN	)	
COUNTY, MINNESOTA; and	)	
HUDSON & KEYSE, LLC,	)	
	)	
Defendants.	)	

**COMPLAINT**

Plaintiff, the United States of America, for its complaint, alleges as follows:

1. This is a civil action brought by the United States of America pursuant to 26 U.S.C. §§ 7401 and 7403 to reduce to judgment the federal income tax assessments made against Ramon Egan and foreclose federal tax liens upon certain real property described in this complaint.

2. Pursuant to 26 U.S.C. §§ 7401 and 7403, this action has been authorized by the Internal Revenue Service ("IRS") and is brought at the direction of the Attorney General of the United States.

**Jurisdiction and Parties**

3. The Court has jurisdiction over this action pursuant to 26 U.S.C. §§ 7402 and 7403 and 28 U.S.C. §§ 1340 and 1345.

4. Venue is proper in the District of Minnesota pursuant to 28 U.S.C. § 1396 because it is the district where the real property at issue is located.

5. Defendant Ramon Egan, whose federal tax liabilities are the subject of this action, resides in Shorewood, Minnesota, within this judicial district. Egan is also named as a defendant in his capacity as Trustee of the Anne B. Egan Revocable Trust.

6. Defendant the State of Minnesota is named as a party to this action because it may claim an interest in the real property through lien number 258497 filed against Ramon Egan with the Office of the County Recorder for Hennepin County, Minnesota, on or about April 25, 2013, and recorded as document number A09944861.

7. Defendant Hennepin County, Minnesota is named as a party to this action because it may claim an interest in the real property based on unpaid property taxes on the subject property for 2013.

8. Defendant Hudson & Keyse is named as a party to this action because it may claim an interest in the real property based on a judgment recorded with the Office of the County Recorder for Hennepin County, Minnesota on or about July 24, 2012.

9. The United States seeks to foreclose its federal tax liens on real property located at 19520 Shady Hills Road, Shorewood, Minnesota, 55331, in Hennepin County, Minnesota (the "Property"), within this judicial district, described as follows:

Lot 16, Block 1 and Lot 17, except the West 55 feet thereof, Block 1, all in Shady Hills.

**Count I:**  
**Reduce to Judgment Income Tax Assessments Against Ramon Egan**

10. The United States incorporates by reference the allegations contained in paragraphs 1 through 9, above, as if fully set forth here.

11. Ramon Egan failed to file federal income tax returns for tax years 2000, 2005, 2006, 2007, and 2008. Egan filed a federal income tax return for 2011 self-reporting income tax owed to the United States.

12. On the dates indicated below, a delegate of the Secretary of the Treasury timely made assessments against Ramon Egan for federal income taxes and statutory additions as follows:

Year	Amount of Tax Assessed	Date of Assessment	Amount Owed as of December 16, 2013
2000	\$13,982.91	1/5/2004	\$22,681.98
2005	\$11,906.20	5/3/2010	\$11,954.24
2006	\$8,364.51	5/3/2010	\$8,398.26
2007	\$8,192.11	5/2/2011	\$8,225.17
2008	\$10,152.42	5/2/2011	\$10,193.39
2011	\$951.70	5/28/2012	\$969.84
			Total: \$62,422.88

13. A delegate of the Secretary of the Treasury gave timely notice of each assessment described in paragraph 12 to Ramon Egan and made demand for payment.

14. Despite notice and demand for payment, Ramon Egan neglected, failed and refused to pay the assessed income tax liabilities described in paragraph 12 and therefore

remains indebted to the United States for the unpaid balance plus statutory additions and interest accruing from the dates of assessment.

WHEREFORE, the United States requests entry of judgment in its favor as follows:

(a) that the Court enter judgment in favor of the United States and against Ramon Egan in the amount of \$62,422.88 for unpaid federal income taxes plus statutory interest and additions accruing after December 16, 2013 until paid; and

(b) that the Court award to the United States its costs and such other and further relief as the Court deems just and proper.

**Count II:  
Lien Foreclosure**

15. The United States realleges and incorporates herein by reference the allegations made in paragraphs 1 through 14 above.

16. As a result of the failure of Ramon Egan to satisfy the assessments described above in paragraph 12, federal tax liens arose pursuant to 26 U.S.C. §§ 6321 and 6322 as of the dates of the assessments and these tax liens attached to all property and rights to property then owned or thereafter acquired by Ramon Egan, including the Property at issue in this case.

17. On or about February 15, 1999, title to the Property was transferred from Anna B. Egan to “Anna B. Egan and Ramon Egan, trustees of the Anna B. Egan Revocable Trust dated February 15, 1999.” The document creating the Anna B. Egan

Revocable Trust was never recorded with the Office of the County Recorder for Hennepin County, Minnesota.

18. On information and belief, Anna B. Egan died in 2008. Upon Anna B. Egan's death, Ramon Egan became the sole trustee of the Anna B. Egan Revocable Trust.

19. Notices of federal tax lien against Ramon Egan were filed with the Office of the County Recorder for Hennepin County, Minnesota, with respect to Egan's federal income tax liabilities for tax year 2000 on December 14, 2012; for tax years 2005, 2006, 2007, and 2008 on July 22, 2011; and for tax year 2011 on July 13, 2012.

20. On or about December 19, 2013, a notice of federal tax lien was filed with the Office of the County Recorder, Hennepin County, Minnesota, against the real property identified in paragraph 9, identifying the Anna B. Egan Revocable Trust as the alter ego or nominee of Ramon Egan and listing Egan's federal income tax liabilities for 2000, 2005, 2006, 2007, 2008, and 2011.

21. The federal tax liens described above attached to the Property.

22. The United States seeks to enforce its federal tax liens against the Property, and seeks an order that the Property be sold and the proceeds from such sale be distributed in accordance with the Court's findings as to the validity and priority of the liens and claims of all the parties to this action.

WHEREFORE, the United States requests entry of judgment in its favor as follows:

(a) that the Court determine that the United States has valid federal tax liens on

the Property described above in paragraph 9;

(b) that the Court enter judgment foreclosing the federal tax liens described herein on the Property described above in paragraph 9;

(c) that the Court order that the defendants set forth their claims to and interest in the Property, and that the Court determine and adjudge the priority of the interests and claims of the parties in the Property; and

(d) that the Court award to the United States its costs and such other and further relief as the Court deems just and proper.

**Count III:  
Alter Ego or Nominee Liability**

23. The United States re-alleges and incorporates by reference the allegations made in paragraphs 1 through 22 above, as if fully set forth here.

24. Ramon Egan has had continuous use, possession, and control of the real property described in paragraph 8 at all relevant times after the Property was transferred to Anna B. Egan and Ramon Egan as the trustees of the Anna B. Egan Revocable Trust on or about February 15, 1999. The Anna B. Egan Revocable Trust is the alter ego and/or nominee of Ramon Egan. Ramon Egan is the true and beneficial owner of the real property.

25. After the transfer of bare legal title to the Property to Anna B. Egan and Ramon Egan as the trustees of the Anna B. Egan Revocable Trust, Ramon Egan continues to make use and enjoyment of the real property.

26. Ramon Egan has at all relevant times resided in the house located on the Property.

27. Despite the transfers of bare legal title to the Property to Anna B. Egan and Ramon Egan as the trustees of the Anna B. Egan Revocable Trust, Ramon Egan has never paid rent to Anna B. Egan Revocable Trust despite his continued use and enjoyment of the Property.

28. Despite the purported transfer of the Property to Anna B. Egan and Ramon Egan as the Trustees of the Anna B. Egan Revocable Trust, Ramon Egan continues to maintain the utility bills for the Property in his name and pay utilities and other expenses related to the Property.

29. Anna B. Egan Revocable Trust held bare legal title to the real property described in paragraph 9 as the alter ego or nominee of Ramon Egan and its interest in the Property should be disregarded. Alternatively, Anna B. Egan Revocable Trust is a sham trust which may be disregarded.

30. Because Anna B. Egan Revocable Trust is an alter ego or nominee of Ramon Egan, the federal tax liens arising from the federal income tax assessments made against Egan for tax years 2000, 2005, 2006, 2007, 2008, and 2011 attach to the Property described above in paragraph 9.

WHEREFORE, the United States requests entry of judgment in its favor as follows:

- (a) that the Court determine that the United States has valid federal tax liens on the Property described above in paragraph 9;
- (b) that the Court determine that Anna B. Egan Revocable Trust is an alter ego, agent and/or nominee of Ramon Egan, or, alternatively, a sham trust that should be disregarded;
- (c) that the Court determine that Ramon Egan is the true and beneficial owner of the Property described in paragraph 9; and
- (d) that the Court award to the United States its costs and such other and further relief as the Court deems just and proper.

Dated: December 30, 2013

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